

**LOCAL GOVERNMENT INSURANCE TRUST**

**SCOPE OF COVERAGE**

**EXCESS LIABILITY PROGRAM**

Rev. 7/2009

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**COVERAGE DECLARATION FORM  
FOR  
EXCESS LIABILITY PROGRAM SCOPE OF COVERAGE**

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**1. MEMBER or PUBLIC ENTITY:** \_\_\_\_\_: as defined herein and in the Local Government Insurance Trust Agreement and the herein specified Underlying Coverage.

**2. MAILING ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_

**3. COVERAGE PERIOD:** From \_\_\_\_\_ to \_\_\_\_\_ at 12:01 AM EST at Member's mailing address shown above.

Retroactive Date: \_\_\_\_\_ Applicable where this Scope of Coverage applies on a Claims-made basis. If a date is specified, this Scope of Coverage will not apply to any Wrongful Act prior to that date.

**4. DOCUMENT NUMBER:** \_\_\_\_\_

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**5. LIMIT OF LIABILITY:**

A. If the Underlying Coverage is described in 6A below:

- \$ \_\_\_\_\_ each Occurrence and aggregate with respect to Underlying Occurrence-based Coverage.
- \$ \_\_\_\_\_ each claim and aggregate with respect to Underlying Claims-made Coverage.

**IN EXCESS OF UNDERLYING COVERAGE LIMITS OF:**

- \$1,000,000 each Occurrence and \$2,000,000 Annual Aggregate (\$2,000,000 with respect to Products and Completed Operations Liability) with respect to underlying General Liability;
- \$1,000,000 each Wrongful Act and \$1,000,000 Annual Aggregate with respect to Public Officials Liability and Law Enforcement Legal Liability; and

- \$1,000,000 each Accident with respect to underlying Automobile Liability Coverage.

B. If the Underlying Coverage is described in 6B below:

- \$\_\_\_\_\_ each Occurrence and aggregate with respect to Underlying Occurrence-based Coverage.
- \$\_\_\_\_\_ each claim and aggregate with respect to Underlying Claims-made Coverage.

**IN EXCESS OF UNDERLYING COVERAGE LIMITS OF:**

- \$1,000,000 each Occurrence with respect to underlying General Liability;
- \$1,000,000 each Wrongful Act with respect to Public Officials Liability and Law Enforcement Legal Liability; and
- \$1,000,000 each Accident with respect to underlying Automobile Liability Coverage.

**6. UNDERLYING COVERAGE:**

- A. \_\_\_\_\_ **Local Government Insurance Trust**  
 Primary Liability Scope of Coverage  
 Document Number: \_\_\_\_\_  
 Coverage Period: \_\_\_\_\_ to \_\_\_\_\_
- B. \_\_\_\_\_ **Self-Insurance Program Excess Coverage Endorsement**

**7. PREMIUM:**

Excess General Liability	\$ _____
Excess Automobile	\$ _____
Total Excess Premium	\$ _____

**8. PUBLIC ENTITY ENDORSEMENT:**

Applicable only to a Member sponsored Public Entity.

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**EXCESS LIABILITY SCOPE OF COVERAGE**

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In consideration of the payment of the premium stated in Item 7 of the Declarations and as more specifically enumerated in the Trust Agreement, the Local Government Insurance Trust (the "Trust") and Member agree as follows:

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**The terms, conditions, definitions, endorsements, exclusions and limitations of the Underlying Coverage as stated in Item 6 of the Declarations are made part of this Scope of Coverage unless they are inconsistent with the provisions of this Scope of Coverage or relate to any duty to investigate and defend, or to the Limit of Liability.**

**SECTION I - COVERAGES**

Subject to all the terms of this Scope of Coverage, the Trust agrees to pay on behalf of Member Loss resulting from a Claim or Lawsuit covered by the Underlying Coverage scheduled in Item 6 of the Declarations.

- A. The coverage afforded by this Scope of Coverage shall apply:
  - 1. Only in excess of Underlying Coverage as scheduled in Item 6 of the Declarations; and
  - 2. Only after all Underlying Coverage has been exhausted by payments of the Limit of Liability of such coverage; and
  - 3. Only if the Underlying Coverage pays such a Loss.
- B. The Trust will also pay:
  - 1. Interest that accrues on a judgment after entry of the judgment and before the Trust has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability specified in Item 5 of the Declarations;
  - 2. Pre-judgment interest awarded against Member on that part of the judgment covered by this Scope of Coverage. However, if the Trust makes an offer to pay the applicable Limit of Liability, the Trust shall NOT be obligated to pay any pre-judgment interest that accrues or attaches after the Trust makes such offer.
- C. The Trust will NOT be obligated to control the investigation, settlement or defense of any Claim made or Lawsuit brought against Member. The Trust, however, has the right to participate in the investigation, settlement, defense and trial of any Claims or Lawsuits that may be covered pursuant to the Underlying Coverage and that the Trust feels may create liability on the part of the Trust under the terms of this Scope of Coverage. The Trust will not indemnify any Claim or Lawsuit after the Limit of Liability specified in Item 5 of the Declarations has been exhausted.

D. With respect to the Underlying Coverage scheduled in Item 6 of the Declarations:

1. Occurrence-based

For coverage afforded under the General Liability and Automobile provisions of the Underlying Coverage, coverage shall be provided for Claims and Lawsuits that occur during the Coverage Period and otherwise are covered pursuant to this Scope of Coverage.

2. Claims-made

For coverage afforded under the Law Enforcement Legal Liability and Public Officials Legal Liability provisions of the Underlying Coverage, coverage shall be provided for Claims and Lawsuits made on or after the Retroactive Date and first reported to the Trust before the termination date of this Scope of Coverage and otherwise are covered pursuant to this Scope of Coverage.

E. Extended Reporting Periods

1. Basic Extended Reporting Period

Where Underlying Coverage scheduled in Item 6 provides coverage on a Claims-made basis and provides a basic extended reporting period, this Scope of Coverage shall provide coverage on the same basis.

2. Supplemental Extended Reporting Period

Where Underlying Coverage scheduled in Item 6 provides coverage on a Claims-made basis and provides a supplemental extended reporting period, this Scope of Coverage will provide coverage on the same basis provided that:

- a. This provision is exercised under the Underlying Coverage by the attachment of an endorsement to that form and Member pays an additional premium charge determined in accordance with the Trust's rules; and
- b. Member pays an additional premium charge in accordance with the Trust's rules under this Scope of Coverage and an endorsement attached to this Scope of Coverage.

SECTION II - LIMIT OF LIABILITY

- A. The Trust's total Limit of Liability for any one Loss will NOT exceed the amount specified in Item 5 of the Declarations.
- B. The Trust's Limit of Liability only applies in excess of the Underlying Coverage limits specified in Item 5 of the Declarations.
- C. The Annual Aggregate limit specified in Item 5 of the Declarations is the most the Trust will pay during each Coverage Period of this Scope of Coverage for all Damages to which this Scope of Coverage applies.
- D.
  - 1. If the Underlying Coverage specified in Item 6A of the Declarations provides coverage on a Claims-made basis during its Coverage Period and the Limit of Liability of the Underlying Coverage becomes reduced or exhausted by payments for Claims made during the Coverage Period of this Scope of Coverage (or any extended reporting period provided by this Scope of Coverage) then this Scope of Coverage will apply as excess of the reduced or exhausted limit. This provision applies to any Claims or Lawsuits covered under the Law Enforcement Legal Liability or Public Officials Legal Liability provisions of the Underlying Coverage that occur on or after the Retroactive Date of this Scope of Coverage as stated in Item 3 of the Declarations and that are first reported to the Trust prior to the termination date of this Scope of Coverage (as stated in the Declarations).
  - 2. For any Claims or Lawsuits covered under the General Liability or Automobile Parts of the Underlying Coverage specified in Item 6A of the Declarations, if the Limit of Liability of the Underlying Coverage becomes reduced or exhausted by payments for such Claims or Lawsuits that take place during the Coverage Period of this Scope of Coverage as stated in the Declarations, then this Scope of Coverage will apply as excess of the reduced or exhausted limit.
  - 3. If this Scope of Coverage provides coverage under this Paragraph D, the Trust will pay Claims Expenses and supplementary payments to the same extent, if any, as provided in the Underlying Coverage.
- E. If the Underlying Coverage is specified in Item 6B of the Declarations, the Trust will pay Claims Expenses on a pro rata basis with the Insured. For purposes of this Paragraph E, "pro rata basis" shall mean the relationship which (1) the amount of the Claim or Lawsuit otherwise payable by the Trust in respect of the Excess Coverage provided under the Excess Coverage Endorsement bears to (2) the total amount of the Claim or Lawsuit payable in the aggregate by (a) the Insured and (b) the Trust pursuant to the Excess Coverage Endorsement, in respect of such Claim or Lawsuit. Nothing in this Paragraph E or the Excess Coverage Endorsement shall be construed or applied to require any payment by the Trust in excess of the maximum coverage provided by the Declarations and the Excess Coverage Endorsement.

SECTION III - EXCLUSIONS

This Scope of Coverage will NOT apply to the following, regardless of whether or not such coverage was or would have been afforded by any Underlying Coverage:

A. Skateboard and BMX Biking Facilities -

Loss that Member becomes legally obligated to pay as Damages because of Bodily Injury or Property Damage caused by or attributable to the use of a skateboard or bicycle at a public skateboard and/or BMX biking facility.

B. Marina Legal Liability -

Loss arising out of Marina Legal Liability including the legal liability for loss or damage to boats, engines, and outboard motors which are in Member's care, custody or control for purposes of repair, storage or mooring, including loss or damage to the property of others caused by said boats, engines or outboard motors.

C. Fire Legal Liability -

Property Damage to that portion of the real property of others that is leased or loaned to, or controlled or maintained by, Member that results from fire and was caused by the carelessness or negligence of Member as regards such leased, loaned, controlled or maintained real property.

D. Garagekeepers' Liability -

Loss arising out of Damages to an Auto left in Member's care while Member is attending, securing, repairing, parking or storing it in Member's garage operation.

E. Employee Benefits Liability -

Loss caused by a Wrongful Act in the Administration of Employee Benefits Programs.

F. Debt Financing -

Loss arising out of any debt financing, including but not limited to bonds, notes, debentures and guarantees of debt.



SECTION IV - DEFINITIONS

- A. Loss means all sums actually paid or sums which Member is legally obligated to pay in the settlement or satisfaction of a Claim to which this Scope of Coverage applies after making proper deductions for all recoveries and salvage.
- B. Underlying Coverage means:
1. The Trust's Primary Liability Scope of Coverage as more specifically enumerated in Item 6 of the Declarations; or
  2. When this Scope of Coverage is issued in excess of a primary self-insurance program of a Member, that self-insurance program. However, regardless of the coverage afforded by that self-insurance program, the coverage afforded by this Scope of Coverage shall be as set forth in the Self-Insurance Program Excess Coverage Endorsement.
- C. Member means the Member of the Trust named in the Declarations to this Excess Liability Scope of Coverage and the persons included within the definition of the term Member, as that term is defined in the Underlying Coverage.
- Member includes any Public Entity that is sponsored for coverage in the Excess Liability Pool pursuant to the Trust Agreement and named in the Declarations.
- D. Claims Expense shall have the meaning set forth in the Self-Insurance Program Excess Coverage Endorsement.

SECTION V - CONDITIONSA. APPEALS

The appeal of a judgment against any Member making a claim for payment against the Trust pursuant to this Scope of Coverage shall be at the sole discretion of the Trust.

If the Trust appeals the judgment, the Trust will pay the costs of the appeal and any expenses incurred for the appeal but in NO event will the Trust's liability for Loss exceed the Limit of Liability as stated in Item 5 of the Declarations plus the expenses applicable to the appeal.

B. CANCELLATION

This Scope of Coverage may only be cancelled by Member or the Trust in accordance with the terms and provisions of the Trust Agreement.

C. MEMBER'S DUTIES

Failure to comply with the provisions of this Scope of Coverage will, at the Trust's option, result in the Trust denying coverage with respect to an otherwise covered Claim or Lawsuit.

1. Member must promptly notify the Trust of any Claim or Lawsuit that may reasonably create an obligation under this Scope of Coverage. Notice shall include:
  - a. How, when and where the events, happening or circumstances underlying a Claim or Lawsuit occurred or arose; and
  - b. The names and addresses of any injured persons and witnesses.
2. If a Claim is made or Lawsuit is brought against any Member, Member must see to it that the Trust receives prompt written notice of the Claim or Lawsuit.
3. With respect to a Claim or Lawsuit of which the Trust has been notified, Member shall:
  - a. Immediately send the Trust copies of any demands, notices, summonses or legal papers received in connection with a Claim or Lawsuit;
  - b. Authorize the Trust to obtain records and other information;
  - c. Cooperate with the Trust in the investigation, settlement or defense of the Claim or Lawsuit; and

- d. Assist the Trust, upon the Trust's request, in the enforcement of any right against any person or organization which may be liable to Member with respect to any injury or Damage Member has or may incur with regard to such Claim or Lawsuit.
- 4. No Member will, except at its own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Trust's consent.

D. MAINTENANCE OF UNDERLYING COVERAGE

While this Scope of Coverage is in effect, Member agrees to maintain the Underlying Coverage in full force. This means that:

- 1. The Limit of Liability in the Underlying Coverage will NOT change except for any reduction in the aggregate Limit of Liability by payment of claims by the Underlying Coverage.
- 2. Where the Underlying Coverage consists of a self-insurance plan, Member shall maintain adequate funding to meet all obligations for Losses and expenses occurring within the self-insurance plan.

Member's failure to comply with this condition will NOT invalidate this Scope of Coverage, but in the event of such failure, the Trust will only be liable to the same extent as if there had been compliance with this condition.

E. THE TRUST'S RIGHT TO RECOVER PAYMENT

If Member has rights to recover all or part of any payment the Trust has made under this Scope of Coverage, Member shall do nothing after learning of a Claim or Lawsuit that is likely to result in Loss that impairs those rights. At the Trust's request, Member will bring Lawsuit or transfer those rights to the Trust and cooperate and assist the Trust in the enforcement of those rights.

F. PREMIUM AUDIT

- 1. The Trust will compute all premiums for this Scope of Coverage in accordance with the Trust's rules and rates.
- 2. The Premium shown in this Scope of Coverage is a deposit premium only. Additional premiums may be assessed by the Trust according to the Trust Agreement and Bylaws upon completion of a certified actuarial study of Loss experience, exposures and approval of the Board of Trustees.

G. WHEN LOSS IS PAYABLE

This Scope of Coverage will NOT apply until Member is obligated to pay the full amount of the Underlying Coverage limit which is also covered by this Scope of Coverage. When the amount of the Loss has finally been determined, the Trust will promptly pay on behalf of Member the amount of Loss which falls within the terms of this Scope of Coverage. The bankruptcy or insolvency of Member will NOT relieve the Trust of any of its obligations under this Scope of Coverage.

SECTION VI – PUBLIC ENTITY ENDORSEMENT

This endorsement modifies the coverage provided by the Scope of Coverage to which it is attached as follows:

SCOPE OF COVERAGE EXCESS LIABILITY PROGRAMPUBLIC ENTITY ENDORSEMENT

\_\_\_\_\_ (the “Public Entity”) is a Public Entity (as that term is defined in the Eighth Amended and Restated Local Government Insurance Trust Agreement (Dated as of July 1, 2004) (the “Trust Agreement”) that has been sponsored for coverage by \_\_\_\_\_, a Member of Local Government Insurance Trust, pursuant to Section 9.06(c)(2) of the Trust Agreement. Pursuant to Section 9.06(c)(2) of the Trust Agreement, in order for Public Entity to be eligible for participation in the Excess Liability Program of the Trust, Public Entity must be located in whole or in part within the geographical boundaries of Member and maintain primary liability coverage pursuant to a self insurance program that is satisfactory to the Trust. A self insurance program satisfactory to the Trust is a program that provides primary liability coverage equivalent to that provided by the Primary Liability Program of the Trust to a Member that is within the scope of immunity provided by:

- (1) The Local Government Tort Claims Act limitations on liability as set forth in Md. Cts. & Jud. Proc. Code Ann. Section 5-301, *et seq.* (2006 Replacement Volume, as replaced, supplemented and amended) (“LGTC”); or
- (2) The Maryland Tort Claims Act limitations on liability as set forth in Md. State Gov’t. Code Ann. Section 12-101 *et seq.* (2004 Replacement Volume, as replaced, supplemented and amended) (“MTCA”); or
- (3) The County Boards of Education limitations on liability as set forth in Md. Educ. Code Ann. Section 4-101 *et seq.* (2004 Replacement Volume, as replaced, supplemented and amended) (the “BOE Limits of Liability”).

Public Entity warrants and represents that to the best of its knowledge, information, and belief it maintains under a self insurance program of primary, general, or comprehensive liability coverage that is equivalent to the coverage provided under the Trust’s Primary Liability Scope of Coverage to a Member of the Trust who participates in the Trust’s Primary Liability Program and Public Entity is within the scope of immunity provided by the LGTCA, the MTCA or the BOE Limits of Liability; or alternatively, that Public Entity participates in the Trust’s Primary Liability Program.

The Trust shall provide Public Entity with excess liability coverage to the same extent, and only to the same extent, that it provides excess liability coverage to a Member that participates in the Trust’s Primary Liability Program and is within the scope of immunity provided by the LGTCA, the MTCA, or the BOE Limits of Liability. If a court of competent jurisdiction rules that Public Entity is not within the scope of immunity provided by the LGTCA, the MTCA or the BOE Limits of Liability, excess coverage will be provided to Public Entity pursuant to this endorsement as if and only to the extent that coverage would be provided to a Member that participates in the Primary Liability Program of the Trust and is within the scope of immunity provided by the LGTCA.

This endorsement forms a part of the Scope of Coverage to which it is attached and is subject to all the provisions, terms and conditions of the Scope of Coverage, unless otherwise stated herein.

Public Entity: \_\_\_\_\_

Scope of Coverage Document No.: \_\_\_\_\_

Endorsement No.: \_\_\_\_\_

Effective Date: \_\_\_\_\_

LOCAL GOVERNMENT INSURANCE TRUST

By: \_\_\_\_\_  
Authorized Representative

LIMITS OF LIABILITY ACKNOWLEDGEMENT  
BY INSURED PUBLIC ENTITY

By: \_\_\_\_\_  
Name:  
Title:  
Authorized Representative

**LOCAL GOVERNMENT INSURANCE TRUST**

**SCOPE OF COVERAGE**

**EXCESS LIABILITY PROGRAM**

**SELF-INSURANCE PROGRAM**

**EXCESS COVERAGE ENDORSEMENT**

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## SELF-INSURANCE PROGRAM EXCESS COVERAGE ENDORSEMENT

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If the Scope of Coverage to which this endorsement applies and is attached is issued to provide excess coverage over a primary liability self-insurance program, regardless of the coverage provided by the self-insurance program, the Scope of Coverage shall afford coverage only to the extent of the Underlying Coverage specified in the Underlying Coverages section of this endorsement.

Further, all coverage afforded by the Scope of Coverage shall apply only in excess of the Underlying Coverage limits specified in Item 5 of the Declarations.

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### UNDERLYING COVERAGES

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#### PART I - GENERAL LIABILITY

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##### SECTION I - COVERAGES

##### A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

Loss that Member becomes legally obligated to pay as Damages because of Bodily Injury or Property Damage which arises out of and is caused by an Occurrence during the Coverage Period. The Occurrence must take place in the Coverage Territory.

Damages because of Bodily Injury include Damages claimed by any person or organization for care, loss of services or death resulting at any time from the Bodily Injury, and does not include Damages caused by or resulting from Law Enforcement Activities.

Property Damage that comprises loss of use of real or tangible personal property that is not physically damaged shall be deemed to have occurred at the time of the Occurrence that caused such loss of use.

##### B. PERSONAL AND ADVERTISING INJURY LIABILITY

Loss that Member becomes legally obligated to pay as Damages because of:

1. Personal Injury, but only if caused by an Offense other than Law Enforcement Activities:
  - a. Committed in the Coverage Territory during the Coverage Period; and

- b. Arising out of the conduct of Member's business, including advertising, publishing, broadcasting or telecasting done by or for Member.
- 2. Advertising Injury, but only if caused by an Offense committed:
  - a. In the Coverage Territory during the Coverage Period; and
  - b. In the course of advertising Member's goods, products or services.

C. SEWER-RELATED DISCHARGE

Loss that Member becomes legally obligated to pay as Damages because of Bodily Injury or Property Damage caused by or attributable to a Discharge.

Each of the following conditions must be met as a prerequisite to coverage:

- 1. The Discharge commenced during the Coverage Period.
- 2. The Discharge was accidental and was neither expected nor intended by Member.
- 3. The Discharge commenced at a specific time and became known to Member within 48 hours thereafter.
- 4. The Discharge did not result from Member's willful and intentional violation of any governmental statute, rule or regulation.

SECTION II - EXCLUSIONS

Unless otherwise expressly noted, the following exclusions apply to underlying coverage for Part I - General Liability, Part II - Law Enforcement Legal Liability and Part III - Public Officials Liability.

Underlying Coverage shall not include:

- A. Bodily Injury or Property Damage expected or intended by Member. This exclusion does not apply to Bodily Injury or Property Damage resulting from the use of reasonable force to protect persons or property or, only with respect to Part II - Law Enforcement Legal Liability of this Endorsement, because of Law Enforcement Activities or any governmental action directed toward the prevention or control of crime.
- B. Bodily Injury or Property Damage for which Member is obligated to pay Damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for Damages:
  - 1. Assumed in a contract or agreement that is a Member Contract; or
  - 2. Imposed on Member as Tort Liability.

Solely for the purposes of liability assumed in a Member Contract, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than a Member are deemed to be Damages because of Bodily Injury or Property Damage, provided:

- a. Liability to such party for, or for the cost of, that party's defense has also been assumed in the same Member Contract; and
  - b. Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which Damages to which this Scope of Coverage applies are alleged.
- C. Any obligation of Member under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- D. Bodily Injury to:
  - 1. An Employee of Member arising out of and in the course of employment by Member; or
  - 2. The spouse, child, parent, brother or sister of that Employee as a consequence of Subsection D.1 above.

This Exclusion D applies:

- a. Whether Member may be liable as an employer or in any other capacity; and
- b. To any obligation to share Damages with or repay someone else who must pay Damages because of the injury.

This Exclusion D does not apply to liability assumed by Member under a Member Contract.

- E. Any Claim or Lawsuit brought by the spouse, child, parent, brother or sister of an Employee of Member where the act or omission of such Employee caused the injury upon which the Claim or Lawsuit is based.
- F. Bodily Injury or Property Damage arising out of the ownership, maintenance, use or entrustment to others of any Aircraft, railroad car, railroad engine, Auto or Watercraft, owned or operated by or rented or loaned to any Member. Use includes operation and Loading or Unloading.

This exclusion F does not apply to:

- 1. Watercraft while ashore on premises Member owns or rents;
- 2. Watercraft that is 26 feet long or less;
- 3. Parking an Auto on, or on the ways next to, premises Member owns or rents, provided the Auto is not owned by or rented or loaned to Member;
- 4. Liability assumed under any Member Contract for the ownership, maintenance or use of Aircraft or Watercraft;
- 5. Bodily Injury or Property Damage arising out of the operation of Mobile Equipment; and
- 6. Bodily Injury or Property Damage arising out of the operation of a Non-Owned Auto or a Hired Auto.
- G. Bodily Injury or Property Damage arising out of:
  - 1. The transportation of Mobile Equipment by an Auto owned or operated by or rented or loaned to any Member;
  - 2. The use of Mobile Equipment in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunt activity;

H. Bodily Injury or Property Damage due to war, whether or not declared or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

I. Property Damage to:

1. Property Member owns, rents, or occupies;
2. Property loaned to Member;
3. Personal property in Member's care, custody or control unless the personal property has been impounded and is in Member's safekeeping. This impounded property coverage exemption, however, will not apply to an impoundment that arises out of a violation of any statute, ordinance or regulation;
4. That particular part of real property on which Member or any contractors or subcontractors working directly or indirectly on Member's behalf are performing operations, if the Property Damage arises out of those operations; or
5. That particular part of any property that must be restored, repaired or replaced because Member's Work was incorrectly performed on it.

Subparagraphs 2, 3, 4 and 5 of this Exclusion I do not apply to liability assumed under a sidetrack agreement.

Subparagraph 5 of this Exclusion I does not apply to Property Damage included in the Products and Completed Operations Liability.

J. Property Damage to Member's Product arising out of it or any part of it.

K. Property Damage to Member's Work arising out of it or any materials, parts or equipment furnished in connection with such Work that is defective or actively malfunctions, and included in the Products and Completed Operations Liability.

L. Property Damage to Impaired Property or property that has not been physically injured, arising out of:

1. A defect, deficiency, inadequacy or dangerous condition in Member's Product or Member's Work; or
2. A delay or failure by Member or anyone acting on Member's behalf to perform a contract or agreement in accordance with its terms.

This Exclusion L does not apply to the loss of use of other property arising out of sudden and accidental physical injury to Member's Product or Member's Work after it has been put to its intended use.

- M. Damages claimed for any loss, cost or expense incurred by Member or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

1. Member's Product;
2. Member's Work; or
3. Impaired Property; if:

such Product, Work, or Impaired Property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

- N. Bodily Injury or Property Damage arising out of activities at any airport which is operated, maintained or controlled by Member; however, this exclusion N does not apply to a passive lessor of land upon which an airport is located. Any actions of Member or its Employees that may be defined as regular or normal activities involving airport operations, maintenance or control are excluded from this Scope of Coverage. These activities include, but are not limited to, day-to-day operations, security, air traffic control, maintenance or direct physical job assignment to the airport premises. Joint ventures with private or public entities for day-to-day airport operations are also excluded under this Scope of Coverage. This exclusion does not apply to the administrative decisions of Member.

- O. Bodily Injury or Personal Injury arising out of Member providing or failing to provide professional health care services by a duly licensed health care provider.

This Exclusion O does not apply:

1. to services by a certified medical technician or emergency medical technician or by any other Employee (other than a licensed physician) rendering professional medical or related care in a setting other than a hospital and not under control and direction of a hospital; or
2. to off-line administrative services by a Medical Director of Member.

For purposes of this exclusion, "off-line administrative services" means training, testing and credentialing of emergency medical services providers, development and oversight of operational standards, protocols, policies and procedures,

personnel management, budgeting and/or program evaluation. "Off-line administrative services" does not include clinical practice by a licensed physician or on-line medical direction or medical command via telecommunication to emergency personnel providing patient care. However, Member (other than Medical Director) would be covered for on-line services.

P. [Reserved]

Q. Personal Injury or Advertising Injury:

1. Arising out of oral or written publication of material, if done by or at the direction of Member with knowledge of its falsity;
2. Arising out of oral or written publication of material whose first publication took place before the beginning of the Coverage Period and Damages occurred before the beginning of the Scope of Coverage;
3. Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of Member.

This Exclusion Q does not apply to Claims or Lawsuits which arise out of oral or written publication of material of a Public Official when acting in good faith within the scope of employment.

R. Advertising Injury arising out of:

1. Breach of contract, other than misappropriation of advertising ideas under an implied contract;
2. The failure of goods, products or services to conform to advertised quality or performance;
3. The wrong description of the price of goods, products or services.

S. Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the failure of a Member to adequately supply gas, oil, water, sewage facilities or systems, electricity or steam.

T. Punitive Damages.

U. Any Bodily Injury or Property Damage caused by or attributable to an Environmental Impairment.

This Exclusion U does not apply to Bodily Injury or Property Damage arising out of the application of pesticides or herbicides if the operations meet the standards of any statutes, ordinances, regulations or license requirements of any federal, state or local government which apply to the operations.

This Exclusion U does not apply to the escape, discharge, dispersal or release of fuels, lubricants, fluids, exhaust gases or other similar Pollutants that are needed for or result from the normal electrical, hydraulic or mechanical operation of Mobile Equipment or its parts, if the Pollutants escape or are discharged, dispersed or released directly from a part of the Mobile Equipment designed by its manufacturer to hold, store, receive or dispose of such Pollutants.

This Exclusion U does not apply to a Discharge to the extent the Discharge is covered under Part I, Section I.C of this Endorsement.

- V. Any Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to asbestos, asbestos products, asbestos fibers, asbestos dust or any materials containing asbestos.
- W. Any Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to radiation. For purposes of this exclusion, "radiation" includes, but is not limited to:
  - 1. Ionizing radiation, including gamma rays, X-rays, alpha particles, beta particles, neutrons, high speed electrons, high speed protons, and any other atomic or nuclear particles or rays;
  - 2. Any electromagnetic radiation that can be generated during the operation of a manufactured device that has an electronic circuit; or
  - 3. Any sonic, ultrasonic, or infrasonic waves that are emitted as a result of the operation, in a manufactured device, of an electronic circuit that can generate a physical field of radiation.
- X. Fines, exemplary damages, statutory or regulatory penalties, criminal fines, penalties or restitutionary impositions, costs or fees associated with injunctive relief.
- Y. Any Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to a Court Ordered Community Service Worker or a Prisoner engaged in a Work Release Program.
- Z. Any Bodily Injury or Property Damage caused by or attributable to the use of a skateboard at a public skateboard facility or a bicycle at a public BMX biking facility.
- AA. Any Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to lead paint.



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**PART II - LAW ENFORCEMENT LEGAL LIABILITY (WRONGFUL ACTS)**

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**SECTION I - COVERAGES**

- A. Loss that Member becomes legally obligated to pay as Damages and Attorneys' Fee Award as a result of Claims first made during the Coverage Period against any Member by reason of any Wrongful Act rendered in the discharge of duties on behalf of Member to provide Law Enforcement Activities. This includes Claims as the result of Prior Acts occurring before the Coverage Period subject to B. below.

This shall cover losses arising from any Claim first reported to the Trust during the Coverage Period against the estates, heirs, legal representatives or assigns of deceased persons who were Members at the time of the Wrongful Act upon which such Claims are based.

- B. Prior Acts are covered, provided that (1) the Prior Act occurred on or after the Retroactive Date specified in Item 3 of the Declarations and (2) Member:
1. Had no prior notice or knowledge of the Claim arising from activities occurring prior to the Coverage Period; and
  2. Had no reason to expect a Claim from activities occurring prior to the Coverage Period. Reasonable expectations would be, but are not limited to:
    - a. Oral or written allegations received by Member from a third party of the intention to file a Claim;
    - b. Knowledge by Member's management of events or incidents that are likely to give rise to a Claim;
    - c. Adverse press or publicity concerning specific Law Enforcement Activities where coverage from this Scope of Coverage may apply.

A Prior Act that is already a Claim or was a Claim or in the process of being arbitrated, settled or adjudicated, prior to the Coverage Period is not covered.

SECTION II - EXCLUSIONS

The exclusions listed in Part I - General Liability are incorporated herein by reference. If any inconsistencies appear, the exclusions found in this Part II govern.

Underlying Coverage shall not include:

- A. Liability assumed by Member under any contract or agreement, unless the contract is a Mutual Aid Agreement;
- B. Liability for tortious acts or omissions beyond the scope of employment of Member;
- C. Liability for tortious acts or omissions committed with actual malice;
- D. Liability for punitive damages;
- E. Liability for acts or omissions not part of the authorized Law Enforcement Activities of Member;
- F. Liability for loss of money, securities, jewelry or fine arts in the care, custody and control of Member;
- G. Liability for Damages arising from any act or omission on the part of persons not covered hereunder in connection with a riot or civil disturbance.

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**PART III - PUBLIC OFFICIALS LEGAL LIABILITY (ERRORS AND OMISSIONS)**

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**SECTION I - COVERAGES**

- A. Loss that Member becomes legally obligated to pay as Damages and Attorneys' Fee Award as a result of Claims first made during the Coverage Period against any Member by reason of any Wrongful Act rendered in the discharge of duties on behalf of Member. This includes Claims as the result of Prior Acts occurring before the Coverage Period subject to B. below.

This shall cover losses arising from any Claim first reported to the Trust during the Coverage Period against the estates, heirs, legal representatives or assigns of deceased persons who were Members at the time of the Wrongful Act upon which such Claims are based.

- B. Prior Acts are covered, provided that (1) the Prior Act occurred on or after the Retroactive Date specified in Item 3 of the Declarations and (2) Member:

- a. Had no prior notice or knowledge of the Claim arising from activities occurring prior to the Coverage Period; and
- b. Had no reason to expect a Claim from activities occurring prior to the Coverage Period. Reasonable expectations would be, but are not limited to:
  - (1) Oral or written allegations received by Member from a third party of the intention to file a Claim;
  - (2) Knowledge by Member's management of events or incidents that are likely to give rise to a Claim;
  - (3) Adverse press or publicity concerning Wrongful Acts of Administration where coverage from this Scope of Coverage may apply.

A Prior Act that is already a Claim or was a Claim or in the process of being arbitrated, settled or adjudicated, prior to the Coverage Period is not covered.

SECTION II - EXCLUSIONS

**The exclusions listed in Part I - General Liability are incorporated herein by reference. If any inconsistencies appear, the exclusions found in this Part III govern.**

Underlying Coverage shall not include:

- A. Claims based upon or attributed to Member's gaining in fact any money, profit, advantage or remuneration to which it was not legally entitled; provided, however, Member will defend Member in Lawsuits containing those allegations;
- B. Claims which are covered by other coverage or which shall be deemed uninsurable under the law;
- C. Claims for strikes, riots, or civil commotion except for administrative decisions directed toward the prevention and control of crime;
- D. Claims based upon or attributable to the rendering of or failure to render any opinion, treatment, consultation or service if such opinion, treatment, consultation or service was rendered or was not rendered while such Member was engaged in any activity for which Member received compensation from any source other than Member named in the Declarations to the Excess Coverage, and/or was gratuitously engaged other than by specific direction of Member named in the Declarations;
- E. Claims for which Member is entitled to indemnity and/or payment by reason of having given notice of any Prior Acts which might give rise to a Claim under any Scope of Coverage or policies the term of which has expired prior to the Coverage Period;
- F. For Claims, demands or actions seeking relief or redress in any form other than money Damages, or for any fees, costs or expenses which Member may become obligated to pay as a result of an adverse judgment for declaratory, injunctive or other equitable relief; provided, however, the Trust will defend Lawsuits involving such Claims, demands or actions where money Damages are requested (and in the case of Lawsuits arising out of detention facilities, where money Damages are not requested) unless coverage is otherwise excluded under this Scope of Coverage; and further provided, for the purpose of this exclusion, a Claim for attorneys' fees shall not be construed as a Claim for money Damages.

Except as otherwise provided in this Exclusion F, the Trust will not defend a Claim made against Member in a Lawsuit unless the plaintiff, in the complaint, specifically and expressly requests the court to award money Damages for the purpose of compensating the plaintiff for injury sustained as a result of the Wrongful Act.

- G. In no event will the Trust make restitution payments on behalf of member or pay restitution damages.
- H. Arising from the violation of any statute, ordinance or regulation, which is known or should have been known to be a violation, committed by or with the knowledge or consent of any Member; however, the Trust will defend Member in Lawsuits containing these allegations.
- I. Claims based upon or arising out of any liability of a Member as a fiduciary under any Employee Benefits Program.
- J. Claims by any federal, State or local government entity, including, without limitation, a government entity within the definition of Member, or by any person within the definition of Member.

This Exclusion J does not:

- 1. Excuse the Trust from providing excess coverage on a Claim alleging the violation of an employment law (*i.e.*, a law governing the employer/employee relationship); or
- 2. Excuse the Trust from providing excess coverage on a Claim by a federal, State or local government entity for contribution or indemnification relating to a claim brought by a third party.
- K. Claims for breach of contract. However, where claims for breach of contract are advanced in conjunction claims for Wrongful Acts, the Trust will provide excess coverage for the Claims for Wrongful Acts.
- L. Claims for back pay, including (without limitation) back wages, overtime or similar compensation.
- M. For the taking of private property for public use without just compensation, to the extent Member has obtained property rights or received value as a result of the taking.
- N. Based upon or arising out of any debt financing, including but not limited to bonds, notes, debentures and guarantees of debt.

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**PART IV - AUTOMOBILE**

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**SECTION I - COVERAGES**

Loss that Member legally must pay as Damages because of Bodily Injury or Property Damage to which this coverage applies, caused by an Accident and resulting from the ownership, maintenance or use by Member of an Auto.

The following types of vehicles are also Autos for purposes of this Part IV of the Excess Coverage Endorsement:

1. Trailers with a load capacity of 2,000 pounds or less designed primarily for travel on public roads;
2. Mobile Equipment transported by an Auto;
3. Any Auto Member does not own while used with the permission of its owner as a temporary substitute for an Auto Member owns that is out of service because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. Loss; or
  - e. Destruction.

A. WHAT CONSTITUTES "OWNERSHIP, MAINTENANCE OR USE BY MEMBER"

With respect only to the coverage provided by this Part IV of the Excess Coverage Endorsement, the following constitutes "ownership, maintenance or use by Member":

1. Subject to Subparagraph 3 below, any authorized operation of an Auto for which Member has reported to the Trust and the Department of Motor Vehicles, or equivalent authority, that Member, through the Trust, is responsible for providing the required coverage pursuant to the Insurance Article of the Annotated Code of Maryland.

2. The authorized use of any Auto owned, hired or borrowed by Member by an Employee or any elected or appointed official or representative of Member;
3. Anyone else while using, with Member's permission, an Auto Member owns, hires or borrows except:
  - a. The owner or anyone else from whom Member hires or borrows an Auto. This exception does not apply if the Auto is a trailer connected to an Auto Member owns. This exception also does not apply if that person is working within Member's scope of employment or under Member's direction and control; however, in that circumstance this coverage would be excess over any other applicable coverage;
  - b. Someone using an Auto while he or she is working in a business of selling, servicing, repairing or parking Autos unless that business is Member's;
  - c. Anyone other than Member's Employees, authorized Volunteers, or members of Member's boards and commissions, a lessee or borrower or any of their Employees while moving property to or from an Auto;
  - d. A sheriff or deputy sheriff, except to the extent of Member's legal and financial responsibility for the conduct of such sheriff or deputy sheriff;
4. Anyone liable for the conduct of a Member described above but only to the extent of that liability;
5. Employees and Volunteers while using their owned, hired or borrowed Autos on behalf of and in furtherance of Member's business, provided that coverage hereunder shall be considered only in excess and after exhaustion of any other liability coverage available to such Employee or Volunteer.

#### B. OUT-OF-STATE COVERAGE EXTENSION

While an Auto is away from the state where it is licensed, coverage includes the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the Auto is being used.

SECTION II - EXCLUSIONS

Underlying Coverage shall not include:

1. EXPECTED OR INTENDED INJURY

Bodily Injury or Property Damage expected or intended from the standpoint of Member. This exclusion does not apply to Bodily Injury or Property Damage due to Law Enforcement Activities or any other governmental action directed toward the prevention or control of crime.

2. CONTRACTUAL

Bodily Injury or Property Damage for which Member is obligated to pay Damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for Damages:

- a. Assumed in a contract or agreement that is a Member Contract; or
- b. Imposed on Member as Tort Liability.

3. WORKERS' COMPENSATION

Any obligation for which Member or Member's insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. EMPLOYEE INDEMNIFICATION AND EMPLOYERS LIABILITY

Bodily Injury to:

- a. An Employee of Member arising out of and in the course of employment by Member; or
- b. The spouse, child, parent, brother or sister of that Employee as a consequence of paragraph a. above.

This Exclusion 4 applies:

- (1) Whether Member may be liable as an employer or in any other capacity; and
- (2) To any obligation to share Damages with or repay someone else who must pay Damages because of the injury.



This Exclusion 4 does not apply to liability assumed by Member under a Member Contract.

This Exclusion 4 does not apply for coverage up to the minimum limit specified by the Maryland Vehicle Law.

5. CARE, CUSTODY OR CONTROL

Property Damage to property owned or transported by Member or in Member's care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement. This exclusion also does not apply to impounded vehicles; however, this impounded vehicle exception will not apply to impoundments arising out of a violation of any statute, ordinance or regulation, and this exception for impounded vehicles is limited to the interests of Member and does not extend to Private Contractors who may be providing services to Member.

6. HANDLING OF PROPERTY

Bodily Injury or Property Damage resulting from the handling of property.

- a. Before it is moved from the place where it is accepted by Member for movement into or onto the covered Auto; or
- b. After it is moved from the covered Auto to the place where it is finally delivered by Member.

7. MOVEMENT OF PROPERTY BY MECHANICAL DEVICE

Bodily Injury or Property Damage resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered Auto.

8. OPERATIONS

Bodily Injury or Property Damage arising out of the operation of Mobile Equipment.

9. POLLUTION

- a. Bodily Injury or Property Damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants:
  - (1) That are, or that are contained in any property that is:
    - i. Being transported or towed by, or handled for movement into, onto or from, the covered Auto;

- ii. Otherwise in the course of transit by Member; or
  - iii. Being stored, disposed of, treated or processed in or upon the covered Auto;
- (2) Before the Pollutants or any property in which the Pollutants are contained are moved from the place where they are accepted by Member for movement into or onto the covered Auto; or
  - (3) After the Pollutants or any property in which the Pollutants are contained are moved from the covered Auto to the place where they are finally delivered, disposed of or abandoned by Member.
- b. Any loss, cost or expense arising out of any governmental direction or request that Member tests for, monitors, cleans up, removes, contains, treats, detoxifies or neutralizes Pollutants arising from Member's ownership or use of covered Autos.

Paragraph a.(1)iii. does not apply to fuels, lubricants, fluids, exhaust gases or other similar Pollutants that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered Auto or its parts, if the Pollutants escape or are discharged, dispersed or released directly from an Auto part designed by its manufacturer to hold, store, receive or dispose of such Pollutants.

Paragraphs a.(2) and a.(3) of this exclusion do not apply if:

- (1) The Pollutants or any property in which the Pollutants are contained are upset, overturned or damaged as a result of the maintenance or use of a covered Auto; and
- (2) The discharge, dispersal, release or escape of the Pollutants is caused directly by such upset, overturn or damage.

#### 10. WAR OR MILITARY ACTION

Bodily Injury or Property Damage due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

### DEFINITIONS

- Accident means a happening or event neither expected nor intended by or from the standpoint of Member.
- Administration means:
  - a. giving counsel with respect to the Employee Benefits Programs;
  - b. interpreting the Employee Benefits Programs;
  - c. handling records in connection with the Employee Benefits Programs;
  - d. effecting enrollment or cancellation of employees under the Employee Benefits Programs.
- Advertising Injury means injury arising out of one or more of the following Offenses:
  - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - b. Oral or written publication of material that violates a person's right of privacy;
  - c. Misappropriation of advertising ideas or style of doing business; or
  - d. Infringement of copyright, title or slogan.
- Aircraft means any airplane, helicopter, glider, light flight, balloon, blimp or any other craft designed to fly in air or space.
- Annual Aggregate means the maximum amount stated in the Declarations of this Scope of Coverage for which the Trust will be liable in a single Coverage Period year, regardless of the number of covered Claims.
- Annual Premium means the earned annual premiums charged by the Trust for coverage contained within this Scope of Coverage.
- Attorneys' Fee Award means amounts awarded by a court to a plaintiff or claimant in a federal or State civil rights action to reimburse the plaintiff or claimant for its attorneys' fees and expenses.
- Auto means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. Auto does not include Mobile Equipment.
- Bodily Injury means physical injury which occurs to the body and sickness, disease, disability or death resulting from such physical injury, including pain and suffering directly

relating thereto. The term "Bodily Injury" shall not include mental anguish or emotional distress sustained by any claimant at any time unless a physical injury sustained by such claimant is the proximate cause of such mental anguish or emotional distress.

- Claim means the direct or indirect assertion of any legal right alleging liability or responsibility on the part of Member arising out of an Occurrence or Wrongful Act and shall include (i) a Lawsuit filed by a claimant or a representative of a claimant, (ii) a demand letter from a claimant or a representative of a claimant, or (iii) any other written communication from a claimant or a representative of a claimant.
- Claims Expenses means expenses incurred by, or with the prior written consent of, the Trust for the investigation, settlement or defense of any Claim for which coverage is afforded under the Scope of Coverage, including:
  - a. Fees, costs and expenses charged by any lawyer, consultant or professional designated by the Trust;
  - b. Fees, costs and expenses resulting from technical investigation such as that performed by engineering firms and other outside service personnel designated by the Trust;
  - c. Premiums on defense and appeal bonds on judgments or obligations within the Limits of Liability. However, nothing in this definition will be construed as imposing any obligation on the Trust to pursue an appeal or to apply for or furnish such defense and appeal bonds; and
  - d. All other costs resulting from the investigation and adjustment of a Claim.
- Court Ordered Community Service Worker means any individual (i) ordered by a court to perform community service as a condition of probation, as a condition to a suspended sentence or in lieu of payment of any fines or court costs imposed, or (ii) accused of criminal activity who volunteers to perform community service prior to or in anticipation of a court proceeding.
- Coverage Period means the Coverage Period stated in Item 3 of the Declarations.
- Coverage Territory means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
  - c. All parts of the world if:

1. The injury or damage arises out of:
  - (a) Goods or products made or sold by Member in the territory described in a. above; or
  - (b) The activities of a Member who is domiciled in the territory described in a. above, but is away for thirty (30) days or less on Member's business; and
2. Member's liability is determined in a Lawsuit on the merits in the territory described in a. above or in a settlement to which the Trust agrees in writing.

- Damages

For PART I –GENERAL LIABILITY, PART II – LAW ENFORCEMENT LEGAL LIABILITY (WRONGFUL ACTS), and PART IV – AUTOMOBILE, Damages means only compensatory damages as a result of a Claim. The term “Damages” does not include (without limitation) (i) civil, criminal or administrative fines, (ii) exemplary or punitive damages, (iii) statutory or regulatory penalties, (iv) restitution payments, costs or fees associated with declaratory, injunctive or other equitable relief (v) attorneys’ fees, or (vi) Claims Expenses.

For PART III - PUBLIC OFFICIALS LEGAL LIABILITY (ERRORS AND OMISSIONS), and only for PART III, Damages means pecuniary damages as a result of a Claim. The term “Damages” does not include (without limitation) (i) civil, criminal or administrative fines, (ii) exemplary or punitive damages, (iii) statutory or regulatory penalties, (iv) restitution payments, costs or fees associated with declaratory, injunctive or other equitable relief (v) attorneys’ fees, or (vi) Claims Expenses.

- Declarations means the section located at the beginning of the Scope of Coverage that sets forth the name, coverage, Limit of Liability, premiums and Scope of Coverage dates of Member.
- Discharge means an emission of liquids or solids or both into a residential or commercial building from a publicly owned and operated sewer system.
- Employee means an individual who is hired and paid by Member to provide services or perform duties under the supervision, control and direction of Member if Member has the power or right to supervise, control and direct the individual in the material details of how the services are provided or the duties are performed. The term "Employee" shall not include Prisoners (unless they are Employees on the date they become Prisoners) or Private Contractors.
- Employee Benefits Liability means the legal liability of Member caused by a Wrongful Act in the Administration of Member's Employee Benefits Programs.

- Employee Benefits Programs means employee benefit plans, including, without limitation, group life insurance plans, group accident or health insurance plans, profit sharing plans, pension plans, flexible spending accounts, employee stock subscription plans, workers' compensation, unemployment insurance, social security and disability benefits.
- Endorsement means the Self-Insurance Program Excess Coverage Endorsement.
- Environmental Impairment means any discharge, dispersal, emission, release, or escape of Pollutants into or upon land, the atmosphere or any groundwater, watercourse or body of water.
- Fire Legal Liability means Property Damage to that portion of the real property of others that is leased or loaned to, or controlled or maintained by, Member that results from fire and was caused by the carelessness or negligence of Member as regards such leased, loaned, controlled or maintained real property.
- Hired Auto means only those Autos Member leases, hires, rents or borrows. This does not include any Auto Member leases, hires, rents, or borrows from any of Member's Employees or partners or members of their households.
- Impaired Property means tangible property, other than Member's Product or Member's Work, that cannot be used or is less useful because:
  - a. It incorporates Member's Product or Member's Work that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. Member has failed to fulfill the terms of a contract or agreement; if such property can be restored to use by:
    - (1) The repair, replacement, adjustment or removal of Member's Product or Member's Work; or
    - (2) Member's fulfilling the terms of the contract or agreement.
- Indemnification Agreement means any part of any contract or agreement under which Member assumes the risk to the indemnified party of Tort Liability of another to pay Damages because of Bodily Injury or Property Damage to a third person or organization, provided
  - a. The contract or agreement is made prior to the Bodily Injury or Property Damage;
  - b. The contract or agreement serves a governmental purpose; and
  - c. The contract or agreement does not assume the risk of liability arising out of any wrongful or negligent conduct of the indemnified party.

- Law Enforcement Activities means all activities related to investigation of crime, apprehension and arrest of suspects, care and supervision of Prisoners, and security and related tasks performed by the Employees of any police department or unit, or corrections department or unit, of Member who were acting within the scope of their employment, but excluding any conduct of such Employees arising out of secondary employment by a person other than Member named in the Declarations of this Scope of Coverage or while off duty. With respect to a sheriff, deputy sheriff, or member of a sheriff's office, Law Enforcement Activities means all activities related to investigation of crime, apprehension and arrest of suspects, care and supervision of Prisoners, and security and related tasks within the scope of such sheriff's or deputy's employment, but excluding all activities directly relating to: (1) courthouse security; (2) service of process; (3) the transportation of inmates to and from court proceedings; (4) personnel or other administrative activities; (5) activities relating to performing law enforcement functions arising under a multi-jurisdictional agreement under the supervision and direction of the Maryland State Police or other State agency; (6) any other activity that Section 9-108 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended, does not require the Member named in the Declarations of this Scope of Coverage to insure and/or defend; and (7) secondary employment by a person other than the sheriff or while off duty.
- Lawsuit means a Claim filed in a state or a federal court, or any arbitration or alternative dispute resolution proceeding to which Member submits with the Trust's knowledge and consent and with the Trust having all rights to control the defense otherwise provided under this Scope of Coverage, for which there is coverage under this Scope of Coverage. Lawsuit does not include:
  - a. A Claim filed with an administrative agency for which there is no coverage under this Scope of Coverage;
  - b. An arbitration proceeding on a Claim for which there is coverage under this Scope of Coverage and to which Member submits without the Trust's consent; or
  - c. Any other alternative dispute resolution proceeding on a Claim for which there is coverage under this Scope of Coverage and to which Member submits without the Trust's consent.
  - d. Any Claim or lawsuit alleging criminal actions or violations.
- Limit of Liability means the total sum that the Trust is obligated to pay on behalf of Member, through judgment or settlement, as Damages resulting from a Claim covered by the Excess Scope of Coverage.
- Loading or Unloading means the handling of property:
  - a. After it is moved from the place where it is accepted for movement into or onto an Aircraft, Watercraft or Auto;
  - b. While it is in or on an Aircraft, Watercraft or Auto; or



- c. While it is being moved from an Aircraft, Watercraft or Auto to the place where it is finally delivered.

But Loading or Unloading does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the Aircraft, Watercraft or Auto.

- Marina Legal Liability means the legal liability of Member for loss or damage to boats, engines and outboard motors which are in Member's care, custody or control for purposes of repair, storage or mooring including loss or damage to the property of others caused by said boats, engines or outboard motors.
- Medical Director means a licensed physician responsible for providing medical direction for Member's emergency medical services (EMS) providers and EMS operational program.
- Medical Expense Benefits means payment for all reasonable expenses arising from Personal or Bodily Injury and incurring within one (1) year from the date of the Occurrence for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, and professional nursing services and funeral services.
- Member means:
  - a. The Trust, a Local Government that is a member of the Trust, the Maryland Association of Counties ("MACo"), or the Maryland Municipal League ("MML"), as designated in Item 1 of the Declarations;
  - b. Any Public Entity that is sponsored for coverage in the Excess Liability Pool pursuant to the Trust Agreement;
  - c. All lawfully elected or appointed officials of Member while acting within the scope of their authority;
  - d. All boards, councils, commissions and units and members thereof that are operated exclusively by, under the exclusive jurisdiction of and directly controlled by Member, while acting within the scope of their authority;
  - e. All Employees of Member while acting within the scope of their employment and authority;
  - f. All Volunteers, but only while acting within the scope or their authority and while providing the public service or performing the public duty for which they volunteered;
  - g. All persons serving for and on behalf of a mutual pact, joint venture or similar contractual relationship between two or more Members, but only if: (1) Member named in the Declarations, Item 1, is directing the performance of the service and



(2) the relationship has received the written approval of Member named in the Declarations, Item 1. No person or organization is a Member with respect to any current or past partnership or joint venture if it is not shown as a Member in the Declarations; and

- h. Sheriffs, deputy sheriffs and other members of a Sheriff's office, but only to the extent that the Member named in the Declarations to the Excess Liability Scope of Coverage is financially responsible for a Wrongful Act pursuant to Section 9-108 of the State Finance and Procurement Article of the Annotated Code of Maryland and, with respect to Law Enforcement Activities, only to the extent that coverage is provided pursuant to Part II – Law Enforcement Legal Liability of this Endorsement.

- Member Contract means:

- a. A lease of premises;
  - b. A sidetrack agreement;
  - c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
  - d. Any other easement agreement;
  - e. An indemnification of any other municipality as required by ordinance;
  - f. An elevator maintenance agreement;
  - g. A Member Contract includes that part of any contract or agreement:
    - (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
      - i. Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
      - ii. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
    - (2) Under which Member, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of Member's rendering or failing to render professional services, including those listed in g(1)i. above and supervisory, inspection or engineering services;
- However, g(1) and (2) apply to this Endorsement only if the architect, engineer or surveyor is an Employee acting within the scope of employment.

- h. A Member Contract does not include that part of any contract or agreement that indemnifies any person or organization for Fire Legal Liability.
- i. Subject to Subparagraph h of this definition of Member Contract, an Indemnification Agreement.

- Mobile Equipment means:

- a. Non-self-propelled property of a mobile nature;
- b. Unlicensed self-propelled vehicles
  - (1) Designed and used primarily to carry mounted equipment; or
  - (2) Not operated primarily on public roads; and
- c. Self-propelled vehicles, whether licensed or unlicensed
  - (1) Designed for highway use; but
  - (2) Not used for over the road transportation of people or cargo.

Mobile Equipment does not include (i) Aircraft; (ii) Watercraft; (iii) Autos; or (iv) trucks, trailers and similar conveyances designed for highway use and used for over the road transportation of people or cargo.

- Mutual Aid Agreement means a cooperative enterprise with one or more other law enforcement agencies in furtherance of their joint law enforcement pursuits.
- Non-Owned Auto means only those Autos Member does not own, lease, hire, rent or borrow that are used in connection with Member's business. This includes Autos owned by Member's Employees or partners or members of their households but only while used in Member's business.
- Occurrence means an Accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- Offense means any act giving rise to Advertising Injury or Personal Injury.
- Personal Injury means injury, other than Bodily Injury, arising out of one or more of the following Offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;

- c. Wrongful entry into, or eviction of a person from a room, dwelling or premises that the person occupies;
  - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication of material that violates a person's right of privacy;
  - f. Alienation of affections or humiliation, mental injury, distress, anguish, or shock.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including vapor, fumes, acids, alkalis, chemicals, dust and waste, including, without limitation, any material which, after its release, can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, loss of marketability or loss of use to Property covered hereunder, including, but not limited to, bacteria, fungi, virus, or hazardous substances as listed in the Federal Water Pollution Control Act of 1976, as amended, and Toxic Substances Control Act, as amended, or as designated by the U.S. Environmental Protection Agency or other State Environmental Agencies.
  - Prior Act means a Wrongful Act taking place prior to the Coverage Period.
  - Prisoner means any individual who is convicted or accused of violating a criminal statute and who is detained, held in custody or captivity or whose freedom is restricted in any manner by a governmental agency.
  - Private Contractor means a person who contracts with a Member to provide services or perform duties for Member, but over whom Member has no immediate and direct control with respect to the manner in which the services are to be provided or the duties are to be performed.
  - Product means:
    - a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (1) Member;
      - (2) Others trading under Member's name; or
      - (3) A person or organization whose business or assets Member has acquired; and
    - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

The term "Product" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. or b. above.

The term "Product" does not include vending machines or other property rented to or located for the use of others but not sold.

The term "Product" shall not include electricity, gas, water or steam furnished by Member.

- Property Damage means (i) direct physical damage to, destruction of, or contamination of real or tangible personal property including all resulting loss of use of that property, or (ii) loss of use of real or tangible personal property that has been evacuated, withdrawn from use or rendered inaccessible during the Coverage Period. Property Damage that is loss of use of real or tangible personal property that is not physically injured will be deemed to have occurred at the time of the Occurrence that caused such loss of use.
- Scope of Coverage means the complete coverage form in its entirety for the Excess Liability Program.
- Tort Liability means a liability that is imposed by law rather than by contract or agreement.
- Trailer (includes semitrailer) means a large transport vehicle designed to be hauled by a truck or tractor.
- Trust means the Local Government Insurance Trust.
- Trust Agreement means the Trust Agreement dated July 1, 1987, as amended or restated from time to time.
- Volunteer means an individual who, at the request of Member, and under Member's control and direction, provides services or performs duties without compensation, except for reasonable reimbursement for out-of-pocket expenses. The term "Volunteer" shall not include an individual who is providing services or performing duties pursuant to an order of court or consent or settlement agreement, including but not limited to Court Ordered Community Service Workers.
- Watercraft means any ship, boat, barge, raft, canoe, or any other craft, whether self-propelled or non self-propelled, designed for use in, on or under the water.
- Work means:
  - a. Labor or operations performed by Member or on behalf of Member; and
  - b. Materials, parts or equipment furnished in connection with such labor or operations.

Work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. or b. above.

- Work Release Program means a program under which Prisoners are granted the privilege of leaving actual confinement for the purpose of working at private or public employment, receiving training or attending school.
- Wrongful Act means any tortious act, error or omission committed by Member.

CONDITIONS

The following conditions are in addition to - NOT in substitution, modification or amendment of - the conditions set forth in Section V - Conditions in the Excess Liability Scope of Coverage.

A. COORDINATION OF LIMITS; REQUIRED COVERAGES

If a loss is within the scope of Underlying Coverage of more than one Part of the Underlying Coverages section of this Endorsement:

1. The Underlying Coverage limit applicable to that loss shall be the highest applicable Underlying Coverage limit under any one Coverage Part; and
2. The maximum Limit of Liability of the Trust shall not exceed the highest applicable Limit of Liability described in Item 5 of the Declarations.

Member may not be covered by one Part of the Underlying Coverages section of this Endorsement unless Member is covered by all Parts of the Underlying Coverages section of this Endorsement.

B. REPORTING OF CLAIMS AND LAWSUITS

Member shall be responsible for the investigation, settlement and defense of any Claim made or Lawsuit brought against Member. Within sixty (60) days of gaining actual knowledge thereof, Member must report the following Claims and Lawsuits to the Trust:

1. Claims and Lawsuits reserved at \$100,000 or more;
2. All fatalities;
3. All real or suspected major paralytic conditions;
4. All second or third degree burns to 25% or more of the body;
5. All amputation and or permanent loss of use or sensation of a major extremity;
6. All head/brain injuries;
7. Loss of sight and/or hearing;
8. All spine/back injuries;
9. All violations of civil rights protected under federal or Maryland State Constitutions or civil rights statutes or protected under the Maryland Declaration of Rights.

Member, when reporting a Claim or Lawsuit, shall promptly furnish the Trust with copies of accident and investigation reports, demands, summonses or other legal papers received in connection with the Claim or Lawsuit. Member shall also, at the Trust's request, provide the Trust or its designated representatives with complete access to Claim or Lawsuit files and to all documents relative to any reported Claim or Lawsuit. Member shall provide the Trust with quarterly reports on the status of each reported Claim or Lawsuit including Member's most recent loss reserve value for each Claim or Lawsuit.

C. LEGAL ACTION AGAINST THE TRUST

No person or organization has a right under the Scope of Coverage:

1. To join the Trust as a party or otherwise bring the Trust into a Lawsuit asking for Damages from a Member; or
2. To sue the Trust on this Part unless all of its terms have been fully complied with.

A person or organization may sue the Trust to recover on an agreed settlement or on a final judgment against a Member obtained after an actual trial; but the Trust will not be liable for losses that are not payable under the terms of the Scope of Coverage or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by the claimant or the claimant's legal representative.

D. DISPUTES, OTHER COVERAGE

The Scope of Coverage will determine the duties, liabilities, obligations and responsibilities of Member and the Trust. Disputes, if any, between the Trust and Member will be referred to the appropriate Trust committee.

E. CHANGES

None of the terms of the Scope of Coverage shall be waived or changed except by written endorsement. Notice to any agent, or knowledge possessed by an agent or other person acting on behalf of the Trust, shall not effect a waiver or a change of any of the terms or conditions of the Scope of Coverage nor shall it estop or bar the Trust from asserting any right which it may have under the terms of the Scope of Coverage.

F. NOTICE

Any notice, request, demand, communication or other paper required to be given under the Scope of Coverage shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid, or sent by telegram or facsimile or delivered by hand, with an executed receipt there for.

G. WAIVER

No delay or failure by the Trust to exercise any right or power granted to the Trust under the Scope of Coverage or to enforce any provision of the Scope of Coverage shall impair any such right or power or be construed as a waiver of such provision in the absence of an express writing to that effect signed by the Trust.

H. CAPTIONS, NUMBER AND GENDER

The captions in the Scope of Coverage are for the purpose of convenient reference and in no manner define, limit or prescribe the scope or intent of the Scope of Coverage or any part hereof. Where context requires, the plural shall include the singular, the masculine shall include the feminine, and vice versa.

I. CHOICE OF LAW

This Scope of Coverage shall be governed by and construed in accordance with the laws of the State of Maryland. All judicial actions, Claims, Lawsuits or judicial proceedings brought by any person to enforce any rights hereunder will be initiated and maintained only in the courts within the State of Maryland and not in the courts of any other jurisdiction.



AMENDMENTS TO EXCESS LIABILITY SCOPE OF COVERAGE  
FOR MEMBER WHO SELF-INSURES ITS PRIMARY LIABILITY EXPOSURE

**This Endorsement amends the Scope of Coverage as follows:**

SECTION I - COVERAGES, E. EXTENDED REPORTING PERIODS of the Scope of Coverage is deleted in its entirety and the following is substituted there for:

"E. Extended Reporting Periods

1. Where this Scope of Coverage provides coverage on a Claims-made basis, the Trust will provide one or more Extended Reporting Periods, as described below, if:
  - a. The Claims-made Coverage is cancelled or not renewed; or
  - b. The Trust renews or replaces the Claims-made Coverage with coverage that:
    - (1) Has a Retroactive Date later than the Retroactive Date shown in the Declarations of this Scope of Coverage; or
    - (2) Does not apply to Wrongful Acts on a Claims-made basis.
2. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the Coverage Period and lasts for:
  - a. Three years for Claims arising out of a Wrongful Act reported to the Trust not later than 60 days after the end of the Coverage Period, in accordance with Section V.C. of this Scope of Coverage.
  - b. Sixty (60) days for all other Claims.

The Basic Extended Reporting Period does not apply to Claims that are covered under any subsequent coverage Member purchases, or that would be covered but for exhaustion of the amount of coverage applicable to such Claims.
3. A Supplemental Extended Reporting Period of unlimited duration is available, but only by an endorsement and for an extra charge. This supplemental period starts:

- a. Three years after the end of the Coverage Period for Claims arising out of a Wrongful Act reported to the Trust, not later than sixty (60) days after the end of the Coverage Period, in accordance with Section V.C. of this Scope of Coverage.
- b. Sixty (60) days after the end of the Coverage Period for all other claims.

Member must give the Trust a written request for the endorsement within 60 days after the end of the Coverage Period. The Supplemental Extended Reporting Period will not go into effect unless Member pays the additional premium within thirty (30) days of the date on which it is due.

The Trust will determine the additional premium in accordance with the Trust's rules and rates. In doing so, the Trust may take into account the following:

- a. The exposures insured;
- b. Previous types and amounts of coverage;
- c. Limits of Liability available under this Scope of Coverage reserved for future payment of Damages; and
- d. Other related factors.

The additional premium will not exceed Two Hundred Percent (200%) of the Annual Premium for this Scope of Coverage.

The endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision of the effect that the coverage afforded for Claims first received during such period is excess over any other valid and collectible coverage available under policies in force after the Supplemental Extended Reporting Period starts.

- 4. Extended Reporting Periods do not extend the Coverage Period or change the Scope of Coverage.

Claims for such injury or damage which are first received and recorded during the Basic Extended Reporting Period (or during the Supplemental Extended Reporting Period, if it is in effect) will be deemed to have been made on the last day of the Coverage Period.

Once in effect, Extended Reporting Periods may not be cancelled.

5. Extended Reporting Periods do not reinstate or increase the Limits of Liability applicable to any Claim to which this Scope of Coverage applies.
6. Member, subject to the terms and conditions set forth herein, shall have a right to select the duration of the Extended Reporting Period."

SECTION II - LIMITS OF LIABILITY, D. of the Scope of Coverage is deleted in its entirety.

SECTION V - CONDITIONS, D. MAINTENANCE OF UNDERLYING COVERAGE of the Scope of Coverage is amended by deleting Subparagraph 1 in its entirety and substituting therefor:

- "1. Limits of Liability in the Underlying Coverage will NOT change."

### OPTIONAL UNDERLYING COVERAGES

**The following Underlying Coverages may be purchased as part of the Self-Insurance Program Excess Coverage Endorsement**

**A. COURT ORDERED COMMUNITY SERVICE WORKERS**

Loss that Member becomes legally obligated to pay as Damages because of Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to a Court Ordered Community Service Worker, if, at the time of the Occurrence, the Court Ordered Community Service Worker is performing an activity for, and under the supervision, control and direction of, Member, provided the activity contains no element of private interest, results in no profit to Member and is performed exclusively for the health, benefit and welfare of the general public.

For purposes of this coverage only, Member includes a Court Ordered Community Service Worker.

**This coverage is subject to the Trust's Risk Management Guidelines for Court Ordered Community Service Workers. Failure to comply with these Risk Management Guidelines may result in the Trust denying coverage.**

Local Government Insurance Trust

Risk Management Guidelines for  
Court Ordered Community Service Workers

Administration

1. A statement of policy (formal, written) outlining the procedures governing the establishment of the Court Ordered Community Service Workers program and the use of Court Ordered Community Service Workers. This document shall be widely distributed throughout the organization, requiring a signed acknowledgment by existing Court Ordered Community Service Workers and new Court Ordered Community Service Workers upon assignment.
2. Description of the procedure by which a person becomes a Court Ordered Community Service Worker, and how that status is maintained or, alternatively, how that status is terminated, i.e., application form, job description, contract agreement concerning services.
3. Formal written policies in the recruitment, supervision, placement and training of Court Ordered Community Service Workers.
4. Each Court Ordered Community Service Worker working in the organization shall be supervised on a daily basis.
5. Prior to placement, all Court Ordered Community Service Workers shall be screened by the program staff to determine their suitability for placement at a particular job or location.

6. Specific written job description for each "position" to be filled by a Court Ordered Community Service Worker, including confidentiality requirements, evaluations, and other similar requirements.

Notification

1. Participants shall provide the Trust with written notification of any major program changes, newly planned activities or additions to the Court Ordered Community Service Workers program.
2. The Trust reviews the above information to determine:
  - Loss Potential
  - Insurability
  - Service Needs
  - Premium Adjustments
  - Reinsurance Implications

B. PRISONERS

Loss that Member becomes legally obligated to pay as Damages because of Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by or attributable to a Prisoner, if, at the time of the Occurrence, the Prisoner is performing an activity for, and under the supervision, control and direction of, Member, provided the activity contains no element of private interest, results in no profit to Member and is performed exclusively for the health, benefit and welfare of the general public.

This coverage applies only to the following activities for Member:

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For purposes of this coverage only, Member includes a Prisoner.

**This coverage is subject to the Trust's Risk Management Guidelines for Prisoners. Failure to comply with these Risk Management Guidelines may result in the Trust denying coverage.**

Local Government Insurance Trust

Risk Management Guidelines for  
Prisoners

Administration

1. A statement of policy (formal, written) outlining the procedures governing the establishment of the Prisoner program and the use of Prisoners. This document shall be widely distributed throughout the organization, requiring a signed acknowledgment by existing Prisoners and new Prisoners upon assignment.
2. Description of the procedure by which a person becomes a Prisoner, and how that status is maintained or, alternatively, how that status is terminated, i.e., application form, job description, contract agreement concerning services.
3. Formal written policies in the recruitment, supervision, placement and training of Prisoners.
4. Each Prisoner working in the organization shall be supervised on a daily basis.

5. Prior to placement, all Prisoners shall be screened by the program staff to determine their suitability for placement at a particular job or location.
6. Specific written job description for each "position" to be filled by a Prisoner, including confidentiality requirements, evaluations, and other similar requirements.

Notification

1. Participants shall provide the Trust with written notification of any major program changes, newly planned activities or additions to the Prisoner program.
2. The Trust reviews the above information to determine:
  - Loss Potential
  - Insurability
  - Service Needs
  - Premium Adjustments
  - Reinsurance Implications

C. SEWER-RELATED DISCHARGE

Loss that Member becomes legally obligated to pay as Damages because of Bodily Injury caused by or attributable to a Discharge; and Property Damage caused by or attributable to a Discharge, regardless of fault.

Each of the following conditions must be met as a prerequisite to coverage:

1. The Discharge commenced during the Coverage Period.
2. The Discharge was accidental and was neither expected nor intended by Member.
3. The Discharge commenced at a specific time and became known to Member within 48 hours thereafter.
4. The Discharge did not result from Member's willful and intentional violation of any governmental statute, rule or regulation.

**This coverage is subject to the Trust's Risk Management Guidelines for sewer backup/discharge. Failure to comply with these Risk Management Guidelines may result in the Trust denying coverage.**

- A. Member will have a Sewer Backup/Discharge Policy (formal, written).
- B. Member will schedule and conduct timely and reasonable inspections (e.g., jetting the lines, scoping the lines, etc.) and, as a result of such inspections, make necessary repairs. Detailed inspections will be in writing, based on sound engineering principles, and will be carried out promptly.
- C. Member will document all sewer backup complaints, indicating the time and date of the complaint, the name of complainant, the nature of the complaint, the action taken and time of such action, and the name of the complaint recipient.
- D. Member will install check valves and backflow prevention devices where needed, including locations where storm drains empty into sewers and other recognized "hot spots".



D. VOLUNTEER FIRE COMPANIES

Loss that a Volunteer Fire Company, and its Employees and Volunteers become legally obligated to pay as Damages because of Bodily Injury, Property Damage, Personal Injury, Advertising Injury or a Wrongful Act provided that the Volunteer Fire Company meets the following criteria:

1. The Volunteer Fire Company is Member's official and only fire department;
2. Member owns the fire house and fire equipment;
3. The fire chief and assistant fire chiefs are approved by, and serve under the direction of, Member's governing board; and
4. Fire operations are governed by an ordinance of Member.

For purposes of this coverage only, Volunteer Fire Company means a private non-profit corporation that (i) is exempt from taxation under Section 501(c)(3) or (4) of the Internal Revenue Code, (ii) receives 50% or more of its annual operating budget from the State, a municipal corporation or a County and (iii) engages in firefighting services.

E. SKATEBOARD and BMX BIKING FACILITIES

Loss that Member becomes legally obligated to pay as Damages because of Bodily Injury or Property Damage caused by or attributable to the use of a skateboard or a bicycle at a public skateboard and/or BMX biking facility.

This coverage is subject to (i) the Trust's Risk Management Guidelines for public skateboard facilities, and (ii) the Trust's Risk Management Guidelines for public BMX biking facilities. Failure to comply with these Risk Management Guidelines may result in the Trust denying coverage.

F. OCCURRENCE

1. Law Enforcement Legal Liability (Wrongful Acts)

Loss that Member becomes legally obligated to pay as Damages and Attorneys' Fee Award as a result of Claims against any Member by reason of any Wrongful Act rendered during the Coverage Period in the discharge of duties on behalf of Member to provide Law Enforcement Activities.

This shall cover losses arising from any Claim against the estates, heirs, legal representatives or assigns of deceased persons who were employed by Member at the time of the Wrongful Act upon which such Claims are based.

2. Public Officials Legal Liability (Errors and Omissions)

Loss that Member becomes legally obligated to pay as Damages and Attorneys' Fee Award as a result of Claims against any Member by reason of any Wrongful Act rendered during the Coverage Period in the discharge of duties on behalf of Member.

This shall cover losses arising from any Claim against the estates, heirs, legal representatives or assigns of deceased persons who were Members at the time of the Wrongful Act upon which such Claims are based.

G. SECONDARY EMPLOYMENT AND OFF-DUTY LAW  
ENFORCEMENT ACTIVITIES

Loss that Member becomes legally obligated to pay as Damages because of Bodily Injury, Property Damage, Advertising Injury or a Wrongful Act caused by or attributable to a law enforcement Employee performing Law Enforcement Activities while off-duty or Law Enforcement Activities as the result of secondary employment provided: (1) such activities have been approved by the chief law enforcement Employee of Member (or his/her designee) in accordance with the Trust's Risk Management Guidelines for Secondary Employment and Off-Duty Law Enforcement Activities; and (2) such law enforcement Employee is acting, or can be recognized as acting, in the capacity as a law enforcement Employee of the Member named in the Declarations to the Excess Scope of Coverage.

**This endorsement is subject to the Trust's Risk Management Guidelines for Secondary Employment and Off-Duty Law Enforcement Activities. Failure to comply with these Risk Management Guidelines may result in the Trust denying coverage.**

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